MINUTES - REGULAR MEETING
SANTA MARIA CITY COUNCIL

CITY HALL COUNCIL CHAMBERS
SANTA MARIA, CALIFORNIA

JUNE 20, 2017

CALL TO ORDER:
Mayor Patino called the meeting to order at 5:00 p.m.

ROLL CALL:
MEMBERS PRESENT
Councilmembers Boysen, Cordero, Moats, and Mayor Patino.

Councilmember Waterfield absent during roll call.

STAFF MEMBERS PRESENT
City Manager Haydon, City Attorney Trujillo, and Chief Deputy City Clerk Garietz.

PUBLIC COMMENT:
There were no requests to speak.

RECESS:
Mayor Patino recessed to a Closed Session at 5:01 p.m. for: PUBLIC EMPLOYEE DISCIPLINE/DISMISSAL/RELEASE pursuant to Government Code Section 54957 (b).

Councilmember Waterfield arrived at 5:03 p.m.

INVOCATION:
Dorothy Mogavero, of United Way, gave the Invocation.

PLEDGE OF ALLEGIANCE TO THE FLAG:
Councilmember Cordero led the Pledge of Allegiance.

RECONVENE THE MEETING AND CALL TO ORDER:
Mayor Patino reconvened the meeting and called the meeting to order at 6:30 p.m.

ROLL CALL:
MEMBERS PRESENT
Councilmembers Boysen, Cordero, Moats, Waterfield, and Mayor Patino.

STAFF MEMBERS PRESENT
City Manager Haydon, City Attorney Trujillo, Director of Human Resources & Records Anderson, Fire Chief Champion, Interim Police Chief Hansen, Director of Finance Harvey, Librarian II Jackson, Director of Community Development Ng, Director of Recreation & Parks Posada, Director of Utilities Springer, Deputy City Manager Stilwell, and Chief Deputy City Clerk Garietz.

CLOSED SESSION REPORT:
Following the Closed Session, the City Attorney announced that there was no reportable action taken.

1. PROCLAMATIONS/COMMENDATIONS/PRESENTATIONS:

A. COMMENDATION – DOUG SHEARER
Councilmember Boysen presented Resolution No. 2017-60 thanking and commending Solid Waste Landfill Supervisor, Doug Shearer, for his 33 years of dedicated public service, which was adopted on motion by Councilmember Boysen, seconded by Councilmember Waterfield, and carried on the following vote: 5-0

AYES:	Councilmembers Boysen, Cordero, Moats, Waterfield, and Mayor Patino
NOES:	None
ABSENT:	None
ABSTAIN:	None

Resolution No. 2017- 60 adopted. A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTA MARIA, CALIFORNIA, COMMENDING SOLID WASTE LANDFILL SUPERVISOR DOUGLAS SHEARER FOR 33 YEARS OF EXEMPLARY CITY SERVICE.

Mr. Shearer thanked the City Council and City staff for the recognition.

Director of Utilities Springer thanked Mr. Shearer for his service and knowledge, indicating that his can-do attitude will be missed.

B. COMMENDATION – RALPH MARTIN
Mayor Patino presented Resolution No. 2017-61 thanking and commending Chief of Police, Ralph Martin, for his years of dedicated public service, which was adopted on motion by Mayor Patino, seconded by Councilmember Waterfield, and carried on the following vote: 5-0

AYES: Councilmembers Boysen, Cordero, Moats, Waterfield, and Mayor Patino
NOES: None
ABSENT: None
ABSTAIN: None

Resolution No. 2017- 61 adopted. A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTA MARIA, CALIFORNIA, COMMENDING CHIEF OF POLICE RALPH MARTIN FOR HIS EXEMPLARY SERVICE AND LEADERSHIP.

Chief Martin thanked the City Council for their confidence in him, the public for their support passing Measure U2012, and City Manager Haydon for offering him the opportunity and giving him the latitude to do the job well.

The City Council thanked Chief Martin for his efforts restoring the honor and respectability in the Police Department and for his efforts conducting Operation Matador.

City Manager Haydon recalled how he and Chief Martin began working together. He indicated that Chief Martin was brought in as a change-agent to help the department and transitioned to a leader and mentor. He commented that the mark of a good leader was to leave an organization better than what it was, which Chief Martin had certainly done in his five years with the City. He added that, in August, the Chamber of Commerce will be presenting Chief Martin with the Robert F. Grogan Award for public service.

2. PUBLIC COMMENT PERIOD
Director of Recreation & Parks Posada gave an update on the Safe & Strong All Summer Long program which will be running from June 19th through August 11th from 11:00 a.m. to 2:00 p.m. The first day was attended by 769 children at various park locations who participated in games, activities, and crafts. Lunch was provided as well. Participating partners collaborating with the Recreation & Parks Department include the Santa Barbara County Health Department, Community Action Commission of Santa Barbara County, Foodbank, Fighting Back Santa Maria Valley, Coca-Cola Bottling, Dignity Health, the Santa Maria Police Department, and City Rangers. In addition to helping to provide activities for youth in the community, the program has also allowed the City to provide jobs for several mentors to work with the kids.

3. CONSENT CALENDAR:
Mayor Patino commented on Item 3I letting the audience and viewers know that the Buena Vista Park Renovations project was ready to move forward with the award of the bid to Newton Construction.

Consent Calendar Items 3A through 3K were approved on motion by Councilmember Boysen, seconded by Councilmember Waterfield, and carried on the following vote: 5-0

AYES: Councilmembers Boysen, Cordero, Moats, Waterfield, and Mayor Patino.
NOES: None
ABSENT: None
ABSTAIN: None

A. ORDINANCES
The reading in full of all ordinances and resolutions was waived. Ordinances on the Consent Calendar were adopted by the same vote cast at the first reading unless City Council indicated otherwise.

B. MINUTES
The Minutes of the regular Meeting of the City Council of June 6, 2017, were approved as submitted.

C. CANCELLATION OF THE JULY 4TH CITY COUNCIL MEETING
Resolution No. 2017-62 was adopted cancelling the regular City Council meeting scheduled on July 4, 2017.

Resolution No. 2017-62 adopted. A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTA MARIA, CALIFORNIA, CANCELLING THE REGULAR CITY COUNCIL MEETING ON JULY 4, 2017.

D. NOTARY FEE INCREASE
Resolution No. 2017-63 was adopted approving an increase in the Notary service fee in accordance with State law, and eliminating the multiple signature fee for Notary services effective July 1, 2017.

Resolution No. 2017-63 adopted. A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTA MARIA, CALIFORNIA, APPROVING AN INCREASE TO THE NOTARY SERVICES FEE AS PROVIDED BY LAW.

E. WARRANTS
Warrant Nos. 208047 to 208298 totaling $18,687,521.72 were ordered ratified subject to having been certified as being in conformity with the budget and having been approved for payment by the Director of Finance. Warrant Nos. 201102 and 202709 were cancelled.

F. PAYROLL
Payment of payroll was ordered ratified subject to having been certified by the proper Department Heads, as shown on records on file in the Department of Finance and having been approved for payment by the Director of Finance.

G. ORDINANCE REGARDING DUTIES OF THE MAYOR
Ordinance No. 2017-07 was adopted adding Chapter 2-19 to Title 2 of the Santa Maria Municipal Code establishing the duties and obligations of the Mayor.

Ordinance No. 2017-07 adopted. AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SANTA MARIA, CALIFORNIA, ADDING CHAPTER 2-19 TO TITLE 2 OF THE SANTA MARIA MUNICIPAL CODE CONFIRMING AND ESTABLISHING THE ADDITIONAL DUTIES AND OBLIGATIONS OF THE MAYOR.

H. ALCOHOLIC BEVERAGE CONTROL GRANT PROGRAM
Resolution No. 2017-64 was adopted authorizing the acceptance of a grant award in the amount of $47,208 to be allocated to the Santa Maria Police Department under the provisions of the California Department of Alcoholic Beverage Control Grant Assistance Program for a series of sting operations throughout the City targeting businesses and persons who provide alcohol to minors.

Resolution No. 2017-64 adopted. A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTA MARIA, CALIFORNIA, APPROPRIATING FUNDING UNDER THE DEPARTMENT OF ALCOHOLIC BEVERAGE CONTROL GRANT #17G-LA47.

I. AWARD OF BID – BUENA VISTA PARK RENOVATIONS
Resolution No. 2017-65 was adopted awarding the bid for the Buena Vista Park Renovations, Bid No. 2017/06, to Newton Construction in the amount of $1,255,736.04.

Resolution No. 2017-65 adopted. A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTA MARIA, CALIFORNIA, APPROVING A CONTRACT WITH NEWTON CONSTRUCTION FOR BID NO. 2017/06, BUENA VISTA PARK RENOVATION.

J. NO-STOPPING ZONE ON EAST JONES STREET
Resolution No. 2017-66 was adopted establishing no-stopping zones on East Jones Street between South Bradley Road and South Suey Road pursuant to Section 7-5.16 of the Santa Maria Municipal Code.

Resolution No. 2017-66 adopted. A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTA MARIA, CALIFORNIA, ESTABLISHING NO-STOPPING ZONES ON EAST JONES STREET PURSUANT TO SECTION 7-5.16 OF THE SANTA MARIA MUNICIPAL CODE..

K. SALE OF WATER TO SANTA BARBARA AND MONTECITO
Resolution No. 2017-67 was adopted authorizing the Director of Utilities to enter into and execute Water Sale Agreements with the Montecito Water District and the City of Santa Barbara for the sale of surplus State Water, pending the approval of the negotiated terms of the agreements by the Montecito Water District and the City of Santa Barbara.

Resolution No. 2017-67 adopted. A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTA MARIA, CALIFORNIA, AUTHORIZING AND DIRECTING THE DIRECTOR OF UTILITIES TO ENTER INTO AND EXECUTE WATER SALE AGREEMENTS WITH THE MONTECITO WATER DISTRICT AND THE CITY OF SANTA BARBARA FOR THE SALE OF SURPLUS STATE WATER.

PUBLIC HEARINGS

4. LANDSCAPE MAINTENANCE DISTRICT ASSESSMENTS. The City Council held a public hearing for the 2017-18 annual assessments for the City's four Landscape Maintenance Districts – Northwest, Northeast, Southwest, South Miller Street/South College Drive, and the 22 associated Special Benefit Zones.

Recreation and Parks Director Posada gave a presentation as detailed in the Council Agenda Report. Currently, the South Miller/South College Landscape Maintenance District is underfunded as expenses have been exceeding revenues. Engineer's Reports presented and approved by the City Council on May 16, 2017, detailed a two percent increase to current assessment levels, taking into account the most recent CPI used by the urban Los Angeles-Riverside-Orange County Areas index for a 12-month period ending in December 2016. Staff strives to work closely with the contractor, J.D. Humann Landscaping, Inc. to give residents and businesses the best service at the best possible prices. Further efforts to meet the financial demands of the Southeast District will be made in the future.

Public Comment
Chief Deputy City Clerk Garietz indicated that no formal written protests were received relating to the proposed landscape maintenance districts and special benefit zones.

Mayor Patino opened the public hearing at 6:59 p.m. and immediately closed the public hearing having no requests to speak.

Council Discussion
There was no discussion by the City Council.

Resolution No. 2017-68 was adopted ordering the assessments for the Northwest Landscape Maintenance Assessment District No. DS-9, on motion by Councilmember Boysen, seconded by Councilmember Waterfield, and carried on the following vote: 5-0

AYES: Councilmembers Boysen, Cordero, Moats, Waterfield, and Mayor Patino
NOES: None
ABSENT: None
ABSTAIN: None

Resolution No. 2017-68 adopted. A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTA MARIA, CALIFORNIA, CONFIRMING THE DIAGRAM AND ASSESSMENTS FOR THE NORTHWEST LANDSCAPE MAINTENANCE ASSESSMENT DISTRICT NO. DS-9.

Resolution No. 2017-69 was adopted ordering the assessments for the Northeast Landscape Maintenance Assessment District No. DS-10, on motion by Councilmember Boysen, seconded by Councilmember Waterfield, and carried on the following vote: 5-0

AYES: Councilmembers Boysen, Cordero, Moats, Waterfield, and Mayor Patino
NOES: None
ABSENT: None
ABSTAIN: None

Resolution No. 2017-69 adopted. A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTA MARIA, CALIFORNIA, CONFIRMING THE DIAGRAM AND ASSESSMENTS FOR THE NORTHEAST LANDSCAPE MAINTENANCE ASSESSMENT DISTRICT NO. DS-10.

Resolution No. 2017-70 was adopted ordering the assessments for the Southwest Landscape Maintenance Assessment District No. DS-11, on motion by Councilmember Boysen, seconded by Councilmember Waterfield, and carried on the following vote: 5-0

AYES: Councilmembers Boysen, Cordero, Moats, Waterfield, and Mayor Patino
NOES: None
ABSENT: None
ABSTAIN: None

Resolution No. 2017-70 adopted. A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTA MARIA, CALIFORNIA, CONFIRMING THE DIAGRAM AND ASSESSMENTS FOR THE SOUTHWEST LANDSCAPE MAINTENANCE ASSESSMENT DISTRICT NO. DS-11.

Resolution No. 2017-71 was adopted ordering the assessments for the South Miller Street/South College Drive Landscape Maintenance Assessment District No. DS-6, on motion by Councilmember Boysen, seconded by Councilmember Waterfield, and carried on the following vote: 5-0

AYES: Councilmembers Boysen, Cordero, Moats, Waterfield, and Mayor Patino
NOES: None
ABSENT: None
ABSTAIN: None

Resolution No. 2017-71 adopted. A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTA MARIA, CALIFORNIA, CONFIRMING THE DIAGRAM AND ASSESSMENTS FOR THE SOUTH MILLER STREET/SOUTH COLLEGE DRIVE LANDSCAPE MAINTENANCE ASSESSMENT DISTRICT NO. DS-6.

5. SOBHANI GENERAL PLAN LAND USE AND ZONING MAP AMENDMENT AT 402 FARNEL ROAD. The City Council reconsidered a recommendation of the Planning Commission to approve: 1) a Negative Declaration; 2) a General Plan Land Use Map Amendment at 402 Farnel Road to designate a 1.8 acre site **FROM** LI (Light Industrial) **TO** CPO (Commercial/Professional Office) land use classification; and 3) amending the Zoning Map for the 1.8 acre site **FROM** PD/M-1 (Planned Development/Light Manufacturing) **TO** CPO (Commercial/ Professional Office) zoning district.

Director of Community Development Ng gave a presentation as detailed in the Council Agenda Report. The site is located at the west end of Cook Street, a block off of South Blosser Road. The proposed amendment would change the land use from Light Industrial to Commercial/Professional. The Santa Barbara County Education Office uses portions of the current building for administrative offices, a gymnasium, and conference facilities. The applicant is requesting to place a Community Health Clinic (CHC) in the vacant portion of the building. Staff had evaluated the parking opportunities with the building and determined that 40 spaces were currently allotted to the County and 44 spaces would be available to the clinic.

At its regular meeting on January 25, 2017, the Planning Commission voted 3-2 (Noes: Commissioners Lopez and Seifert) to recommend that the City Council adopt resolutions approving a Negative Declaration and General Plan Land Use and Zoning Map Amendment for the project site. Commissioners Lopez and Seifert were concerned about potential parking issues at the site.

The item was brought before Council at the February 21, 2017, City Council meeting and tabled until an agreement could be secured with the Iglesia de Christo Church for additional parking. On June 5, 2017, the applicant submitted a copy of a parking agreement that had been secured with the church for 20 additional parking spaces.

Councilmember Cordero asked what the potential uses of CPO (Commercial/Professional Office) zoning would be and how that would affect future tenants. Director of Community Development Ng responded that the Commercial Professional Office zoning was very specific to larger professional offices and some retail.

Councilmember Cordero asked if it would be possible to require future applicants to come back before Council to ensure a proposed business would be compatible with the business that is there now.

City Attorney Trujillo responded that the project was a General Plan Amendment or legislative act. Once approved, conditions could not be placed on it.

Councilmember Moats asked if the County Education facility had a long-term rental contract on the site. He also asked how it was possible that the church and County facilities had been placed in M-1 (manufacturing) zoning.

Director of Community Development Ng responded that he understood the County Education office had a long term rental contract and that the applicant might be able to speak more to that question. The building on the site was constructed in 1985 and Santa Barbara County offices occupied the building in 1989. Staff has not been able to find a record of how the County or the church came to be there. However, they have been operating there without any issues for more than 25 years.

Councilmember Waterfield asked who occupied the project space prior to Mr. Sobhani's request. She also asked if the church staff was comfortable leaving their wrought iron fence open to patients. She expressed concern about the increased foot traffic the clinic would bring to Blosser and the fact that the parking was located some distance from the proposed clinic site.

Director of Community Development Ng responded that the applicant might be able to better answer her questions.

Councilmember Boysen asked if the parking agreement would be a recorded document with the property.

Director of Community Development Ng responded that the parking agreement that had been submitted was an agreement between the property owner of the church and CHC. If the item were to be approved, a PD Permit would go before the Planning Commission for any future use with a condition that could be recorded.

Applicant comments
Mr. Maurice Sobhani commented that he had been able to reach an agreement with the church for 20 parking spaces to be used primarily by the staff of the clinic. CHC would provide a motorized gate and staff would use a code to enter to park.

Councilmember Cordero asked Mr. Sobhani for his comments regarding pedestrians crossing Blosser in the middle of the block.

Mr. Sobhani responded that he could not comment on foot traffic on Blosser, but that Farnel Road would be limited to mostly school and church traffic.

Councilmember Moats asked if there would be 18 staff members. He also asked why the applicant had chosen this location.

Jose Guzman, representing CHC, confirmed that there would be 18 staff and they would be required to park at the church. He said the location was chosen as it was close to the larger CHC facility and could help decrease some of the work load at that clinic by offering extended services.

Councilmember Waterfield asked if the applicant considered opening a clinic closer to the larger clinic making it more convenient to employees and patients.

Mr. Guzman responded that staff and patients are often accompanied to their cars and that the safety of staff and patients had been taken into consideration.

Councilmember Waterfield asked if it were feasible to locate the clinic closer to parking or if parking would be an issue.

Director of Community Development Ng responded that the shopping center was already impacted by parking issues.

Councilmember Moats asked if the patients using the clinic would be more inclined to walk or drive.

Mr. Guzman responded that patients could walk from nearby housing sites, however the clinic also had a transportation department that provided transportation and bus passes to patients who need it.

Councilmember Cordero asked what hours the clinic would be open.

Mr. Guzman responded that the hours would be 8:00 a.m. to 5:00 p.m., Monday through Friday.

Public input
Gil Palacios, representing the Walmart Shopping Center, spoke in opposition to the project citing concern about parking, safety issues for pedestrians regarding the busy Walmart parking lot, heavy traffic on Blosser, and the fact that the location was generally more of an industrial area that should be used as such.

Council Discussion
Councilmember Boysen indicated that he had ex parte communications with Mr. Sobhani and representatives of Walmart. He expressed concerns about the future uses of the site and surrounding property and the parking conditions. He stated that, while he appreciated CHC, he could not support putting a clinic there.

Mayor Patino indicated she had concerns about safety and did not want to sacrifice the City's light industrial zone for this project.

Councilmember Cordero asked if there was any possibility of putting the new clinic in the same shopping center that the larger clinic is in.

Mr. Guzman responded that he believed there were suites available in the shopping center.

Councilmember Waterfield made a motion to deny the project.

The motion failed for lack of a second. Resolution Nos. 2017-72 and 2017-73 and Ordinance No. 2017-09 were not adopted.

Resolution No. 2017-72 was NOT adopted. A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTA MARIA, CALIFORNIA, APPROVING A NEGATIVE DECLARATION FOR THE AMENDMENT TO THE GENERAL PLAN LAND USE POLICY MAP AND ZONING MAP FOR THE SOBHANI PROJECT (GPZ2016-0005) LOCATED AT 402 FARNEL ROAD.

Resolution No. 2017-73 was NOT adopted. A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTA MARIA, CALIFORNIA, AMENDING THE LAND USE POLICY MAP ON APPROXIMATELY 1.8 ACRES LOCATED AT 402 FARNEL ROAD.

Ordinance No. 2017-09 was NOT introduced. AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SANTA MARIA, CALIFORNIA, AMENDING THE OFFICIAL ZONING MAP FOR APPROXIMATELY 1.8 ACRES LOCATED AT 402 FARNEL ROAD.

6. 2017-18 BUDGET REVIEW. The City Council considered amendments to the 2017-18 Budget. City Manager Haydon gave a presentation as detailed in the Council Agenda Report. The National economic outlook is improving as unemployment rates are at an all-time low of 4.4 percent. Locally, the unemployment rate is at 6.3 percent, the lowest it has been since 2007. The local average median house price is $356,000. With the increase in housing prices, property tax revenues have also increased due to the housing boom and increasing development in the City. The City receives 10 percent of property taxes paid by residents (roughly $18 million). The majority of property taxes (about $120 million) go to the school districts and to Santa Barbara County ($36 million).

Local sales tax receipts are at an all-time high and staff anticipates receiving more than $22 million in 2017-18. With regard to the Enos Ranch development, the projected sales tax numbers take into effect a portion of the receipts from the opening of Lowe's and the Costco stores.

Non-Hazardous Hydrocarbon Impacted Soil (NHIS) revenues are at an all-time low. Since Chevron stopped its clean-up operation in Guadalupe, NHIS revenue next year will be roughly $400,000 as compared to original revenues upwards of $5 million. NHIS revenues were originally used to finance the costs of 16 police officers and operational costs at Fire Station No. 4. Previous Councils have wanted to wean the City off this revenue source because of the inconsistency of the revenue stream. Any revenue in excess of $400,000 for NHIS revenue this next year will be put into the LEAF (Local Economic Augmentation Fund).

Overall, total General Fund revenues in 2017-18 are anticipated to be $66 million, approximately $800,000 less than previously anticipated. The vast majority of this decrease in revenues being caused by the reduction in anticipated NHIS revenues.

Regarding the 2017-18 proposed appropriations, while the variance between the previously adopted 2017-18 budget and the amended budget is only $29,000, there are some noteworthy changes. Council previously approved negotiated salary and benefits enhancements as well as the analysis of more accurate pension-related expenses.

The decrease in appropriations in the Police Department is indicative of the fact that more officers are being hired in the Tier II & III retirement thresholds, thus the City is paying less in CalPERS for them. The Fire Department is receiving an increase in appropriations because staff is shifting $333,000 in overtime costs away from the Measure U Fund to the General Fund.

Summarizing revenues compared to operating expenses, revenues are at $66 million, expenses are at $69 million. Out of the $66 million in revenue, the City is using $2.6 million in LEAF funds. The resulting financial gap is roughly $5.7 million. Staff's proposal is to not fill staff vacancies as they become available which would bring an expenditure savings of $2 million by the end of the year. An additional $1 million savings would come from reducing operational expenses in each department and possible concessions from bargaining groups.

Councilmember Boysen asked about offering employees a Voluntary Time Off (VTO) program.

City Manager Haydon responded that the City had previously offered that program which enabled employees to take days off without pay. He offered to bring the item before Council at the July 18th Council meeting for their consideration.

Councilmember Waterfield asked how much money the City would save if Mandatory Time Off (MTO) were to be implemented again.

City Manager Haydon indicated MTOs had garnered about a five percent salary savings, four percent for public safety departments (Police and Fire), and saved the City over $1 million.

Councilmember Waterfield asked how many employees had signed up for VTO when it was in place.

City Manager Haydon responded that between 25 and 35 employees had taken advantage of the program.

Councilmember Moats asked about a required MTO between Christmas and New Year's.

City Manager Haydon responded that other public entities on the South Coast have furloughed employees during the week between Christmas and New Year's. This would generate a 1.5 percent savings to the City in personnel costs.

Councilmember Cordero asked for a summary of the City's retiring employees and how that will impact the City. He also asked if the statewide situation would self-correct.

City Manager Haydon responded that both Public Safety and Miscellaneous bargaining groups have been a part of the CalPERS retirement system since the 1960s. Based on the City's actuarial analysis, the Fire Department has 56 active participants as of 2015 and about 42 retired participants. The Police Department has 117 active participants and 124 retirees. The Miscellaneous bargaining group has 376 active participants and 342 retirees. CalPERS has indicated that, back in 2001, there were two active participants for every one person that was retired. In 2016, there was 1.3 active employees for every one person retired. In 2026, there will be .6 of an active employee for every person who is retired. So, similar to Social Security, the amount of money that people are paying into CalPERS is decreasing while the benefits being paid out are increasing. He added that it would be about 7-8 years before the situation corrected itself. All the employees with the City who were hired prior to 2011 are in Tier 1, those hired between 2011 and 2013 are in Tier 2, and those hired since 2013 are on the State-mandated pension reform system. On average, almost 60 percent of City employees are in Tier 1 and 40 percent are in the other Tiers.

Staff is proposing a budget balancing method where 46 percent would be covered by LEAF funds, 7 percent by department cuts, 12 percent from labor concessions, and 35 percent by maintaining staff vacancies. This would leave $3.4 million in the LEAF fund by June 30, 2018.

Measure U funds show $4.5 million in revenues and $4.5 million in appropriations. Staff vacancies will cover any expenditures exceeding revenues.

Proposed appropriations for all operating funds (General Fund, Measure U, all three Enterprise Funds, and Special Revenue Funds) total $162.5 million. Proposed appropriations for all funds (includes those just mentioned as well as Landscape & Maintenance Funds, Capital and Internal Service Fund) total $196.9 million.

With regard to the Enterprise Funds, there are no significant proposed amendments and the fund remains status quo.

Regarding staffing, the City has 508 full-time employees and 78 part-time employees. Sixty-one percent of full-time employees are in the public safety departments. There are no new full-time positions being recommended in the General Fund, and only one accounting-type position in the Utilities Fund and one position in the Landscape Maintenance Districts.

CalPERS expenses to the City are expected to be almost $6 million more in 2021-22 than what the City pays now. Every public entity that has a defined benefit retirement system in California is facing similar financial challenges. Whether these agencies are school districts, community college districts, special districts or county agencies, the challenge for everyone will be meeting pension obligations while still trying to maintain service levels. It is crucial for all policy makers to keep this issue in mind when they embark upon future deliberations that involve such matters as land use, zoning, labor-relations and even service enhancements, for these types of policy issues will need to be juxtaposed against the fiscalization of such policy decisions.

Mayor Patino asked if Council would be provided a fiscal analysis with future development proposals.

City Manager Haydon responded that Council and staff will need to think about retirement costs when considering future projects. Staff hopes to take more advantage of technology, efficiencies, and the collective knowledge of its workforce to streamline operations. Next year will be a transitional year from a fiscal perspective.

Other funding issues addressed expenses associated with the Mayor's Youth Task Force and the retrofit project at the old library which staff would like to convert into City offices.

Policy issues to consider include whether or not to secure a polling consultant for the November 2018 ballot or defer securing a polling consultant until the summer of 2020 to help determine how to deal with Measure U which is set to sunset in 2021.

Councilmember Waterfield asked if CalPERS was doing anything to help improve their return on investments (ROI).
City Manager Haydon responded that CalPERS was reducing their expected ROI from 7.5 percent to 7.0 percent and are now considering lowering it to 6.25 percent.

Mayor Patino asked what other communities are doing.

City Manager Haydon responded that other communities were addressing the issue in various ways such as cutting their programs, reducing their staffing, placing sales tax or other revenue measures on ballots, or considering filing for bankruptcy.

Public Comment
There were no requests to speak.

Council Discussion
Councilmember Boysen suggested waiting until 2020 to secure a polling consultant to place Measure U on the ballot.

City Manager Haydon agreed and recommended gauging the level of support for Measure U. If there is no support for the Measure, staff would want to learn why.

Councilmember Cordero expressed concern that many California cities are going to go forward with measures and he suggested the City of Santa Maria not wait to do so.

City Manager Haydon explained that what differentiated Santa Maria from other cities is that it already has a quarter percent sales tax that has been proven to support public safety and the community has seen the return on their investment. All the City would be requesting is to gauge the public support of various items.

It was the consensus of the Council to secure a polling consultant sooner than later.

Resolution No. 2017-74 was adopted amending the 2017-18 Budget and delegating the City Manager to implement same on motion by Councilmember Waterfield, seconded by Councilmember Moats, and carried on the following vote: 5-0

AYES:	Councilmembers Boysen, Cordero, Moats, Waterfield, and Mayor Patino
NOES:	None
ABSENT:	None
ABSTAIN:	None

Resolution No. 2017-74 adopted. A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTA MARIA, CALIFORNIA, AMENDING THE BUDGET FOR 2017-18 AND DELEGATING THE CITY MANAGER TO IMPLEMENT SAME.

REPORT BY CITY MANAGER:
City Manager Haydon reported the July 4, 2017, City Council meeting was cancelled. The next City Council meeting will be July 18, 2017. Items on the agenda will include a retirement resolution for Corporal Louis Tanore; a presentation of the Summer 2017 Hometown Heroes; the 2017-18 CDBG allocations; a bid award for the 2017 Chip Seal project; appointments to Boards and Committees; and an extension of the urgency ordinance regarding marijuana.

ORAL REPORTS OF COUNCILMEMBERS AND OFFICERS (INCLUDING AB1234 REPORTS):
Councilmember Cordero reported that he attended the SBCAN Dinner at the Radisson; the Police Council Golf fundraiser; and the Mayor's Task Force on Youth Safety meeting.

Councilmember Moats reported that he attended the Police Council Golf Fundraiser and a meeting with City Manager Haydon, school administrators, and school board members.

Councilmember Waterfield reported that she attended a meeting with Assemblyman Jordan Cunningham; the Police Council Golf Fundraiser; and the SBCAG and APCD monthly board meetings;

Councilmember Boysen reported he met with the Mobile Homeowners Association which has a mobile home lease agreement that is expiring in 2019. They would like to work with the City to come up with a formal agreement to give them a better sense of security with their property. He also requested that City Council meetings have an earlier start time.

Mayor Patino reported that she attended the North County Subregional meeting; judged the math festival at Arellanes Junior High School; attended two public forums and one meeting of the Mayor's Task Force on Youth Safety; attended the Santa Maria High School graduation; spoke on the Rick Blaemire radio show with Steve and Larry Lavagnino; met with Christopher Finarelli of Assemblyman Jordan Cunningham's Office; participated in Downtown Fridays; attended the State Rodeo Finals in Bishop; attended the Filipino-American Association's 38th Anniversary celebration and scholarship award night; and spoke on the Ben Heighes Radio Show.

Mayor Patino and Councilmember Cordero invited everyone to attend the Mayor's Task Force meetings to learn more about how the group works, and said they looked forward to responding to the recent letter from the Grand Jury expressing an unfavorable viewpoint of the group's efforts.

ADJOURNMENT:
There being no further business before the City Council, Mayor Patino declared the City Council meeting adjourned at 8:50 p.m.

APPROVED:

July 18, 2017
Date

Rhonda M. Garietz, CMC
Chief Deputy City Clerk and ex officio Clerk of the City Council

Alice M. Patino
Mayor of the City of Santa Maria

ATTEST:

Rhonda M. Garietz, CMC
Chief Deputy City Clerk